

BEFORE
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKET NO.

| | | | |
|--------|----------------------------------|---|------------------------------------|
| IN RE: | Verified Application of Carolina |) | APPLICATION FOR APPROVAL OF |
| | Water Service, Inc. for Approval |) | ANNUAL RATE ADJUSTMENT |
| | of Annual Rate Adjustment |) | MECHANISMS AND PETITION FOR |
| | Mechanisms and Petition for an |) | ACCOUNTING ORDER |
| | Accounting Order to Defer |) | |
| | Expenses |) | |
| | <hr/> |) | |

Carolina Water Service, Inc. (“Applicant,” “CWS” or “Company”) hereby applies, pursuant S.C. Code Ann. §§ 58-5-220 and 58-5-240, S.C. Code Ann. Regs. 103-823 and 103-825, and all other applicable statutes and regulations, to the Public Service Commission of South Carolina (the “Commission”) for approval of annual rate adjustment mechanisms for purchased water and wastewater treatment expenses, as shown on Exhibits A, B and C, and for authority to continue to defer the Company’s purchased water and wastewater treatment expenses (above or below the amounts reflected in base rates) until such expenses are reflected in rates.

The requested relief included in this Verified Application does not involve a change to the Company's entire rate structure, or a change to any rates at this time, nor does the requested relief involve a change in any Commission rules, regulations, or policies. Applicant therefore requests that the Commission allow Applicant's proposal to be put into effect without notice or hearing, consistent with S.C. Code Ann. § 58-5-240(G). Further, given the ongoing nature of the proposed annual rate adjustment mechanisms and Applicant's desire to implement the mechanisms in the first quarter of 2019, Applicant respectfully requests Commission action on this Verified Application by January 16, 2019.

In support of this Verified Application, Applicant would show the following:

1. Applicant's Corporate and Regulatory Status. Applicant is a corporation organized and existing under the laws of the State of Delaware and is authorized to do business in the State of South Carolina. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(4), providing water and wastewater services to the public in certain areas of South Carolina. Applicant's current rates and charges were authorized by Commission Order No. 2018-345(A) issued May 30, 2018, in Docket No. 2017-292-WS.

Applicant operates a potable water production, treatment, storage, transmission and distribution system ("water system") and a sanitary wastewater collection, treatment and effluent disposal system ("wastewater system"), which are located in and serve various parts of the State of South Carolina. In addition to operating its own water and wastewater systems, Applicant relies upon certain purchased water contracts with third party bulk water suppliers to meet its customers' need for water and to fulfill its obligation to serve. Applicant also relies on third parties to provide purchased wholesale wastewater treatment services through satellite sewer system agreements, as a result of CWS system interconnections with regional sewer providers that have been designated as the applicable 208 Water Quality Management Plan management authority.¹

2. Relief Requested. Pursuant to S.C. Code Ann. § 58-5-240 and all applicable rules and regulations of the Commission, Applicant requests the Commission approve annual rate adjustment mechanisms for certain changes to its purchased water and wastewater treatment expenses. More specifically, Applicant seeks approval for annual rate adjustment mechanisms to capture changes in such expenses that result from changes in rates imposed by its wholesale purchased water and wastewater treatment providers. Applicant's proposed rate adjustment

¹ See *Application of Carolina Water Service, Inc., for Approval of a Satellite Sewer System Agreement between Carolina Water Service, Inc. and City of Columbia*, Docket No. 2018-256-S.

mechanisms are shown on Exhibits A (relating to Applicant's water service territory 1), B (relating to Applicant's water service territory 2) and C (relating to Applicant's wastewater service territory). As shown on Exhibits A, B and C, these proposed rate adjustments would apply to "Distribution Only" water customers and to all wastewater customers. As also shown on Exhibits A, B and C, the purchased water and wastewater treatment rate adjustments would be allocated to customers in the same manner as such expenses are allocated to customers in Applicant's base rates. The proposed annual water rate adjustment mechanisms only affect the commodity charge per 1,000 gallons and do not impact the applicable Base Facilities Charges.

Applicant also requests the Commission authorize it to continue to defer changes in its purchased water and wastewater treatment expenses attributable to changes in third party provider rates, on an interim basis (above or below the amounts reflected in base rates), until such expenses are reflected in rates.

Applicant submits that no hearing in this matter is required. S.C. Code Ann. § 58-5-240(G) permits the Commission to allow tariffs to be put into effect without a hearing when such tariffs do not require a determination of the entire rate structure and overall rate of return, or when the rates or tariffs do not result in any rate increase to the public utility. Applicant submits that the tariffs proposed as part of this Verified Application do not require a determination of Applicant's entire rate structure, and do not result in any rate increase to the public utility. Applicant therefore respectfully requests that this Verified Application be approved without a hearing. Further, because of the ongoing nature of the proposed annual rate adjustment mechanisms and Applicant's desire to implement the mechanisms in the first quarter of 2019, Applicant respectfully requests that this Verified Application be approved by the Commission by January 16, 2019.

3. Proposed Rate Adjustment Mechanisms. Applicant proposes to adjust its water and wastewater rates annually, via the proposed Annual Purchased Water and Wastewater Rate

Adjustment Mechanisms (Exhibits A, B and C), to reflect changes in the Company's actual purchased water and wastewater treatment expenses resulting from changes in third party providers' rates, using consumption and customer data from the preceding calendar year with known and measurable changes at the time of filing, net of the amounts of purchased water and wastewater expenses reflected in its base rates and without carrying or financing or other markup costs.

In 2019, the first year of implementation of the rate adjustment mechanisms, Applicant also proposes to include previously deferred purchased water and wastewater treatment expense amounts for the period of March 2018 to February 2019. The Company will continue to track the deferred purchased water and wastewater treatment expense amounts monthly. In the next Annual Purchased Water and Wastewater Rate Adjustment, the actual revenues the Company earned from the portion of the commodity rate designed to recover the deferral balance(s) amortization expense will be calculated and subject to audit. Any over or under recovery related to the difference between the revenues earned and the deferral balance amounts will be applied to the deferral balance in the next Annual Purchased Water and Wastewater Rate Adjustment filing. The portion of the commodity rate designed to recover the deferral balance(s) amortization expense will then be reset to recover the new deferral balance adjusted for any over or under recovery applied.

The requested rate adjustment mechanisms for purchased water and wastewater treatment expenses are proposed to be implemented as follows:

- By March 1 of each year (beginning March 1, 2019), Applicant will file its proposed rate adjustments for purchased water and wastewater treatment expenses, with documentation showing changes in its third party providers' rates, and the impact of such changes in wholesale rates on Applicant's purchased water and wastewater treatment expenses using consumption and customer data from the

preceding calendar year with known and measurable changes at the time of filing, along with the amounts of such expenses reflected in Applicant's then-existing base rates. Applicant also will provide its proposed water and wastewater treatment revenues and the effects of the proposed rate adjustments on "Distribution Only" water rates and wastewater rates;

- By April 15 of each year, the Commission and the Office of Regulatory Staff ("ORS") will complete their respective review and audit of Applicant's proposed rate adjustments;
- By April 30 of each year, the Commission will issue an order on the proposed rate adjustments (Applicant submits that, consistent with S.C. Code Ann. § 58-5-240(G), a hearing would not be required prior to Commission action);
- By May 1 of each year, Applicant will provide 30-day notice of the approved rate adjustments to its customers; and
- By June 1 of each year, Applicant will implement the approved rate adjustments.

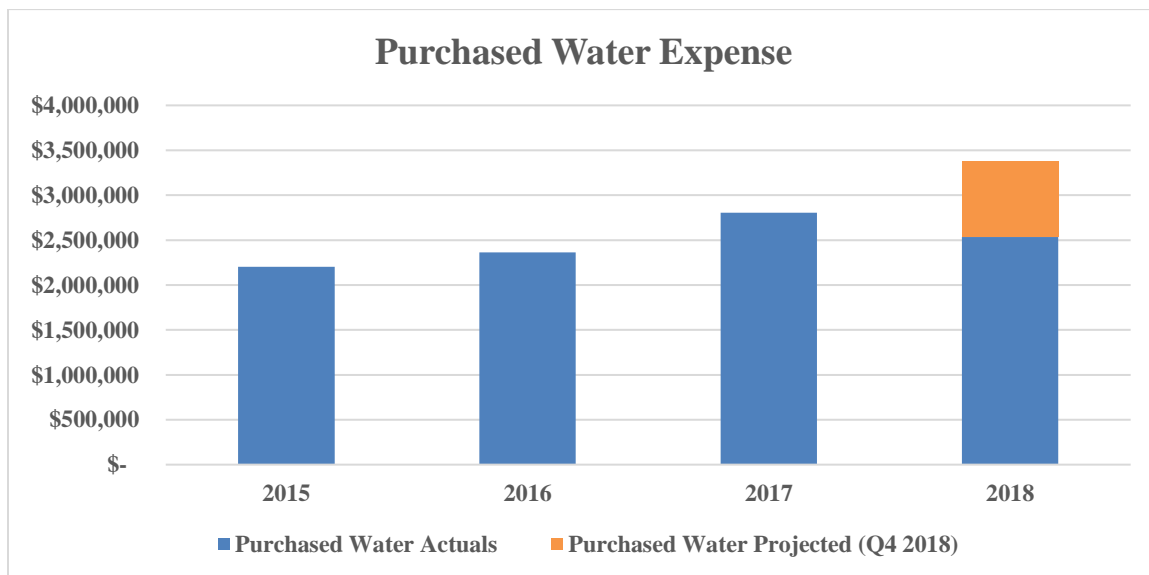
4. Need and Justification for Requested Relief. By Order No. 2018-345(A) in Docket No. 2017-292-WS, the Commission approved recovery of the costs of the Company's purchased water and wastewater treatment expenses incurred in the course of providing service. To implement this cost recovery, the Commission approved a regulatory deferral account, authorizing CWS to record and monitor all rate increases from third party providers for water supply and wastewater treatment. The Commission authorized CWS to seek recovery of the balance of the deferred account, subject to audit by ORS and approval by the Commission, in a subsequent rate case.

In this Verified Application, in lieu of continued deferral of such expenses, Applicant is seeking timely cost recovery of its purchased water and wastewater treatment expenses through

annual periodic rate adjustment mechanisms, along with authorization to defer such expenses caused by changes in third party provider rates on an interim basis (above or below the amounts reflected in base rates), until such expenses are reflected in rates.

Applicant purchases water from approximately 13 third party providers, a number which may increase in the future. Applicant purchases wastewater treatment services from 6 third party providers, a number which may also increase in the future. Since mid-2017, Applicant has experienced wholesale rate increases from 8 of its purchased water providers, and has experienced wholesale rate increases from 5 of its wastewater treatment providers. Collectively, these 13 wholesale rate increases amount to over \$1,000,000 annually.

The following charts illustrate the magnitude of the changes in purchased water and wastewater treatment expenses, respectively, Applicant has experienced in recent years. Most of these changes are the result of wholesale rate changes instituted by the wholesale providers.





As the foregoing demonstrates, Applicant's purchased water and wastewater treatment expenses are and/or will be recurring, significant and changing. In addition, because the purchased water and wastewater treatment expenses are incurred as a result of contracts with and rates charged by unrelated third parties, the expenses are not controlled by Applicant.

Applicant believes the proposed rate adjustment mechanisms (and interim deferred accounting authorizations) are reasonable, necessary and in the public interest, and represent good regulatory policy. The requested relief will assist Applicant in providing reasonable and adequate service to its customers, recovering its actual purchased water and wastewater treatment expenses on a timely basis, eliminating or deferring the need for new rate cases due to purchased service expenses, and preserving its financial integrity.

The proposed purchased water and purchased wastewater rate adjustment mechanisms will function to track changes in the wholesale rates Applicant pays for purchased water and purchased sewer expenses, whether such tracking results in a charge or a credit to customers. Accordingly, the purchased water and wastewater rate adjustment mechanisms will also benefit customers by allowing Applicant to reflect in its retail rates the actual wholesale water and wastewater rates it

pays to third party providers, whether those rates increase or decrease. The proposed rate adjustment mechanisms will also send more accurate price signals to customers.

5. Commission Precedent for Rate Adjustment Mechanisms for Purchased Wholesale Service Expenses. Rate adjustment mechanisms for purchased services expenses are prevalent in South Carolina. See, for example, *In Re Application of Kiawah Island Utility, Inc.*, Docket No. 2001-164-W/S; Order No. 2002-285 (PSCSC; Apr. 18, 2002), where the Commission approved a passthrough mechanism for the utility with respect to its purchased water costs, stating: “With the passthrough mechanism as proposed by the Company, the potable rate to the customers could be adjusted, with Commission oversight, on a timely basis and eliminate the need for a rate application to compensate for this expense.” Likewise, in Order No. 2014-48, in Docket No. 2013-380-S (PSCSC; Jan. 14, 2014), the Commission permitted Ocean Lakes Utility, L.P. to “pass through, without markup, the increases in wholesale wastewater rates charged by Grand Strand Water & Sewer Authority over a two-year period as requested.” *See also, In Re Application of Utilities Services of South Carolina, Inc.*, Docket No. 2005-217-WS; Order No. 2013-32 (PSCSC; Jan. 16, 2013); *In Re Lisa Lochbaum et al v. Utilities Services of South Carolina, Inc.*, Docket Nos. 2009-39-W, 2009-75-W, 2009-101-W, 2009-102-W (PSCSC; Sept. 3, 2009); *In Re Application of Kiawah Island Utility, Inc.*, Docket No. 2001-164-W/S; Order No. 2006-54 (PSCSC; Jan. 24, 2006); *In Re Dowd Water Systems, Inc.*, Docket No. 2003-7-W; Order No. 2003-520 (PSCSC; Aug. 29, 2003).

6. Supporting Documentation. Applicant has prepared certain documentation in support of its Verified Application, attached hereto and incorporated herein by this reference as Exhibit D. This documentation includes the following:

- a. Current and historical purchased water expenses, including purchased water expenses reflected in current base rates (Schedule 1);
- b. Current and historical purchased wastewater treatment expenses, including purchased wastewater expenses reflected in current base rates (Schedule 2);
- c. Current deferred purchased water expenses (Schedule 3);
- d. Current deferred wastewater treatment expenses (Schedule 4); and
- e. Information concerning recent wholesale purchased water and wastewater treatment rate increases instituted by wholesale providers.

In addition, Applicant's Annual Report for the last period is on file with the Commission, including Applicant's financial statements. Applicant's current rate schedules, approved in Order No. 2018-345(A), are also on file with the Commission, as are a performance bond to satisfy the requirements of S.C. Code Ann. § 58-5-720 and a map depicting Applicant's current service area.

The documentation submitted herewith, and references to documents on file with the Commission, are offered to comply with Commission Rules and to provide information useful to the Commission in considering the reasonableness of the proposed purchased water and wastewater treatment adjustment mechanisms.

7. Representation. All communications or inquiries regarding this Verified Application should be directed as set forth below:

Frank R. Ellerbe, III, Esquire
 Samuel J. Wellborn, Esquire
 ROBINSON GRAY STEPP & LAFFITTE, LLC
 1310 Gadsden Street
 Columbia, South Carolina 29201
 Telephone: (803) 929-1400
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swellborn@robinsongray.com

WHEREFORE, Applicant respectfully requests that the Commission take the following action, without a hearing, by January 16, 2019:

- A. Approve the proposed purchased water expense rate adjustment mechanisms (Exhibits A and B);
- B. Approve the proposed wastewater treatment expense rate adjustment mechanism (Exhibit C);
- C. Approve Applicant's request for authority to continue deferring its purchased water and wastewater treatment expenses (above or below the amounts reflected in base rates) caused by changes in third party provider rates, until such expenses are reflected in rates;
- D. Approve Applicant's proposal and schedule for implementing the water and wastewater rate adjustment mechanisms; and
- E. For such other relief as this Commission deems just and proper.


Dated this 14th day of November, 2018.

s/Frank R. Ellerbe, III
 Frank R. Ellerbe, III
 Samuel J. Wellborn
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Attorneys for Carolina Water Service, Inc.

STATE OF SOUTH CAROLINA)
) SS:
COUNTY OF GREENVILLE)

Robert Hunter, being first duly sworn, deposes and says that he is the Financial Planning and Analysis Manager of Carolina Water Service, Inc., Applicant; that as such he executed the above and foregoing Verified Application and has authority to do so; that he has read said Verified Application and knows the contents thereof; and that the statements and representations contained in said Verified Application are true to his best knowledge and belief.


Robert Hunter
Financial Planning and Analysis Manager
Carolina Water Service, Inc.

Subscribed and sworn to before me, a Notary Public, in and for said County and State this
14th day of NOVEMBER, 2018.


_____, Notary Public

I am a resident of SPARTANBURG County, South Carolina.
My commission expires: 1-16-2024

N. K. GOR
Notary Public, State of South Carolina
My Commission Expires 1/16/2024



Carolina Water Service, Inc.
Docket No. 20187-292 -WS
SCHEDULE OF ORDERED RATES AND CHARGES

WATER

Service Territory 1

Monthly Charges - Water Supply Customers Only

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

Residential

| | |
|--|--------------------------------------|
| Base Facilities Charge per single-family house, condominium, mobile home, or apartment unit | \$14.38 per unit |
| Residential Commodity Charge | \$5.59 per 1,000 gal. or 134 cft. |

Commercial

| | |
|---|--------------------------------------|
| Base Facilities Charge by meter size | |
| 5/8" meter * | \$ 14.38 per unit |
| 3/4" meter | \$ 14.38 per unit |
| 1" meter | \$ 37.43 per unit |
| 1.5" meter | \$ 74.86 per unit |
| 2" meter | \$ 119.78 per unit |
| 3" meter | \$ 224.59 per unit |
| 4" meter | \$ 374.42 per unit |
| 8" meter | \$1,150.51 per unit |
| Commercial Commodity Charge | \$ 5.59 per 1,000 gal or 134 cft. |

Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

Residential

| | |
|--|--------------------------------------|
| Base Facilities Charge per single-family house, condominium, mobile home, or apartment unit | \$14.38 per unit |
| Residential Commodity Charge | \$7.55 per 1,000 gal. or 134 cft. |

Carolina Water Service, Inc.
Docket No. 20187-292-WS
SCHEDULE OF ORDERED RATES AND CHARGES

Commercial

Base Facilities Charge

by meter size

| | |
|--------------|---------------------|
| 5/8" meter * | \$ 14.38 per unit |
| 3/4" meter | \$ 14.38 per unit |
| 1" meter | \$ 37.43 per unit |
| 1.5" meter | \$ 74.86 per unit |
| 2" meter | \$ 119.78 per unit |
| 3" meter | \$ 224.59 per unit |
| 4" meter | \$ 374.42 per unit |
| 8" meter | \$1,150.51 per unit |

Commercial Commodity Charge

\$7.55 per 1,000 gal.
or 134 cft.

***A "Fire Line" customer will be billed a monthly base facilities charge of a 5/8" meter or at the rate of any other meter size used as a detector.**

Purchased Water Expense Rate Adjustment Mechanism

"Water Distribution Customers Only" for Water Service Territory 1 are subject to annual rate adjustments ordered by the South Carolina Public Service Commission to recover in rates changes in expenses, without markup, that result from third party wholesale purchased water provider rate changes.

The commodity rate is calculated using customer and consumption data from the preceding calendar year. The adjustment to the commodity rate is calculated by first finding the average consumption of all water distribution customers for Water Service Territory 1. The average consumption is determined by taking the total water consumption for the most recent annual period available and dividing it by the total number of water billing units for the most recent annual period available. Next, the adjustment in purchased water expense caused by known and measurable changes in rates from third party wholesale providers is calculated. Then, the expense per billing unit is calculated by dividing the total change in purchased water expense by the annualized number of water billing units. Finally, the adjustment to the commodity rate required to recover or rebate the change in purchased water expenses is determined by dividing the expense per billing unit by the average consumption per 1,000 gallons. The portion of the commodity rate designed to recover the deferral balance amortization expense is reset each year and adjusted for any over or under recovery.

Carolina Water Service, Inc.
Docket No. 20187-292-WS
SCHEDULE OF ORDERED RATES AND CHARGES

Service Territory 2

Monthly Charges - Water Supply Customers

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

Residential

Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:

\$28.59 per unit

Residential Commodity Charge

\$10.27 per 1,000 gal.
or 134 cft.

Commercial

Base Facilities Charge
by meter size

| | |
|-------------|--------------------|
| 5/8" meter* | \$ 28.59 per unit |
| 1" meter | \$ 79.59 per unit |
| 1.5" meter | \$ 146.27 per unit |
| 3" meter | \$ 499.14 per unit |

Commercial Commodity Charge

\$10.27 per 1,000 gal.
or 134 cft.

Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

Residential

Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:

\$28.59 per unit

Residential Commodity Charge

\$11.85 per 1,000 gal.
or 134 cft.

Commercial

Base Facilities Charge by meter size:

| | |
|--------------|--------------------|
| 5/8" meter * | \$ 28.59 per unit |
| 1" meter | \$ 79.59 per unit |
| 1.5" meter | \$ 146.27 per unit |
| 3" meter | \$ 499.14 per unit |

Carolina Water Service, Inc.
Docket No. 20187-292-WS
SCHEDULE OF ORDERED RATES AND CHARGES

| | |
|-----------------------------|--|
| Commercial Commodity Charge | \$ 11.85 per 1,000 gal. or 134 cft. |
|-----------------------------|--|

***A “Fire Line” customer will be billed a monthly base facilities charge of a 5/8” meter or at the rate of any other meter size used as a detector.**

Purchased Water Expense Rate Adjustment Mechanism

“Water Distribution Customers Only” for Water Service Territory 2 are subject to annual rate adjustments ordered by the South Carolina Public Service Commission to recover in rates changes in expenses, without markup, that result from third party wholesale purchased water provider rate changes.

The commodity rate is calculated using customer and consumption data from the preceding calendar year. The adjustment to the commodity rate is calculated by first finding the average consumption of all water distribution customers for Water Service Territory 2. The average consumption is determined by taking the total water consumption for the most recent annual period available and dividing it by the total number of water billing units for the most recent annual period available. Next, the adjustment in purchased water expense caused by known and measurable changes in rates from third party wholesale providers is calculated. Then, the expense per billing unit is calculated by dividing the total change in purchased water expense by the annualized number of water billing units. Finally, the adjustment to the commodity rate required to recover or rebate the change in purchased water expenses is determined by dividing the expense per billing unit by the average consumption per 1,000 gallons. The portion of the commodity rate designed to recover the deferral balance amortization expense is reset each year and adjusted for any over or under recovery.

Carolina Water Service, Inc.
Docket No. 201~~87-292~~ -WS
SCHEDULE OF RATES AND CHARGES

SEWER

Service Territory 1 and 2

(Customers of Carolina Water Service, Inc., and former Utilities Services of SC, Inc. and United Utility Companies, Inc.)

Monthly Charges – Sewer Collection & Treatment Only

Where sewage collection and treatment are provided through facilities owned and operated by the Utility, the following rates apply:

| | |
|--|------------------|
| Residential - charge per single-family house, condominium, villa, or apartment unit: | \$65.77 per unit |
| Mobile Homes: | \$47.94 per unit |
| Commercial | \$65.77 per SFE* |

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Monthly charge – Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity for treatment, the Utility's rates are as follows:

| | |
|---|------------------|
| Residential – per single-family house, condominium, or apartment unit | \$65.77 per unit |
| Commercial | \$65.77 per SFE* |
| Wholesale Service (Midlands Utility) | \$N/A per SFE* |
| The Village Sewer Collection | \$34.18 per SFE* |

* Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

Carolina Water Service, Inc.
Docket No. 20187-292-WS
SCHEDULE OF RATES AND CHARGES

Purchased Wastewater Expense Rate Adjustment Mechanism

CWS Sewer Customers are subject to annual rate adjustments ordered by the South Carolina Public Service Commission to recover in rates changes in expenses, without markup, that result from third party wholesale purchased wastewater provider rate changes.

The monthly charge is determined using customer and purchased wastewater expense data from the preceding calendar year. The adjustment to the monthly charge required to recover or rebate is determined by taking the adjustment in purchased wastewater expense caused by known and measurable changes in rates from third party wholesale providers and dividing by the total number of wastewater billing units. The portion of the rate designed to recover the deferral balance amortization expense is reset each year and adjusted for any over or under recovery.

Exhibit D Information

Schedule 1 (Current & Historical Expenses; Amount Included in Current Base Rates):

| Water Territory 1 | Included in Base Rates |
|----------------------------------|------------------------|
| City of West Columbia | \$957,711 |
| York County | \$858,782 |
| Lexington County Joint Municipal | \$144,404 |
| City of Columbia | \$103,135 |
| Town of Lexington | \$4,766 |
| Total | \$2,068,798 |

| Water Territory 2 | Included in Base Rates |
|------------------------------|------------------------|
| City of Columbia | \$212,166 |
| City of West Columbia | \$142,921 |
| West Anderson Water District | \$112,413 |
| Broadway Water and Sewer | \$109,111 |
| Hammond Water | \$78,491 |
| York County | \$38,242 |
| City of Rock Hill | \$30,979 |
| City of York | \$26,416 |
| Starr-Iva Water Co. | \$17,922 |
| Sandy Springs Water District | \$13,241 |
| Electric City Utilities | \$10,036 |
| Total | \$791,938 |

| Water Territory 1 Historical | 2015 | 2016 | 2017 | YTD 9/2018 | Total |
|------------------------------|--------------------|-------------------|--------------------|--------------------|--------------------|
| York County | \$870,827 | \$969,450 | \$822,451 | \$943,032 | \$2,900,209 |
| City of West Columbia | \$526,854 | \$548,147 | \$979,072 | \$800,581 | \$2,854,653 |
| Lexington County Joint Muni. | \$181,865 | \$164,370 | \$141,776 | \$116,918 | \$604,929 |
| City of Columbia | | | \$60,605 | \$101,692 | \$165,398 |
| Town of Lexington | \$6,452 | \$7,020 | \$ 5,086 | \$4,537 | \$23,096 |
| Total | \$1,585,998 | \$1,688,97 | \$2,008,990 | \$1,966,759 | \$6,548,285 |

| Water Territory 2 Historical | 2015 | 2016 | 2017 | YTD 9/2018 | Total |
|------------------------------|-----------|-----------|-----------|---------------|------------------|
| City of Columbia | \$156,731 | \$186,776 | \$200,490 | \$114,028 | \$658,025 |
| West Anderson Water District | \$112,776 | \$113,018 | \$135,441 | \$71,489 | \$432,724 |

| | | | | | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Broadway Water and Sewer | \$100,441 | \$100,694 | \$105,820 | \$122,151 | \$429,106 |
| City of West Columbia | \$66,150 | \$84,388 | \$160,436 | \$95,647 | \$406,621 |
| Hammond Water | \$81,600 | \$85,562 | \$71,804 | \$55,398 | \$294,363 |
| York County Public Works | \$38,069 | \$38,148 | \$34,079 | \$33,504 | \$143,800 |
| City of Rock Hill | \$22,950 | \$22,511 | \$30,994 | \$27,842 | \$104,298 |
| Starr-Iva Water Co. | \$16,466 | \$17,195 | \$17,551 | \$15,527 | \$66,738 |
| City of York | | \$5,339 | \$23,232 | \$18,215 | \$46,786 |
| Electric City Utilities | \$10,948 | \$11,102 | \$10,146 | \$7,962 | \$40,158 |
| Sandy Springs Water District | \$8,402 | \$7,002 | \$7,879 | \$5,916 | \$29,199 |
| Total | \$ 614,534 | \$ 671,736 | \$ 797,871 | \$ 567,680 | \$2,651,820 |

Schedule 2 (Current & Historical Expenses; Amount Included in Current Base Rates):

| Wastewater Territory | Included in Base Rates |
|-----------------------------------|-------------------------------|
| York County | \$754,827 |
| Richland County Government | \$143,905 |
| Georgetown County Water and Sewer | \$94,834 |
| The Town of Chapin | \$32,133 |
| Beaufort-Jasper Water & Sewer | \$30,234 |
| Total | \$1,055,933 |

| Wastewater Territory Historical | 2015 | 2016 | 2017 | YTD 9/2018 | Total |
|--|--------------------|--------------------|--------------------|-----------------------|--------------------|
| York County | \$758,555 | \$757,178 | \$770,993 | \$1,002,228 | \$3,288,954 |
| Richland County Government | \$166,979 | \$144,301 | \$132,951 | \$111,311 | \$555,542 |
| Georgetown County Water and Sewer | \$115,640 | \$125,223 | \$121,213 | \$95,741 | \$457,816 |
| Beaufort-Jasper Water and Sewer | \$36,145 | \$33,105 | \$31,111 | \$49,804 | \$150,166 |
| The Town of Chapin | \$26,309 | \$31,094 | \$34,982 | \$24,308 | \$116,693 |
| Total | \$1,103,628 | \$1,090,901 | \$1,091,249 | \$1,283,392 | \$4,569,171 |

Schedule 3 (Current Deferred Purchased Water Expenses – Since Prior Rate Case):

| Water Territory 1 | Current Deferred Expenses through 9/2018 |
|-----------------------------|---|
| York County Water and Sewer | \$176,676 |
| City of West Columbia | \$164,804 |
| Total | \$341,480 |

| Water Territory 2 | Current Deferred Expenses through 9/2018 |
|----------------------------------|---|
| City of West Columbia | \$21,263 |
| City of Columbia | \$8,679 |
| City of Rock Hill | \$4,683 |
| York County | \$1,727 |
| Lexington County Joint Municipal | \$649 |
| Total | \$37,000 |

Schedule 4 (Current Deferred Purchased Wastewater Expenses – Since Prior Rate Case):

| Wastewater Territory | Current Deferred Expenses through 9/2018 |
|-------------------------------|---|
| York County | \$402,491 |
| Beaufort-Jasper Water & Sewer | \$284 |
| Total | \$402,775 |

Example Calculations of Rate Adjustments

Water Rate Adjustment:

| <u>Line No.</u> | | | <u>Notes</u> |
|-----------------|-------------------------------------|-------------|--------------------------------|
| 1 | | | |
| 2 | Annualized Consumption | - | From Most Recent Annual Period |
| 3 | Annualized Number of Water Bills | - | From Most Recent Annual Period |
| 4 | | | |
| 5 | Average Consumption | - | = 2 / 3 |
| 6 | | | |
| 7 | Change in Purchased Water Expense | \$ - | Updated at Filing |
| 8 | | | |
| 9 | Adjustment to Commodity Rate | \$ - | = (7 / 3) / (5 / 1000) |

Wastewater Rate Adjustment:

| <u>Line No.</u> | | | <u>Notes</u> |
|-----------------|--|-------------|--------------------------------|
| 1 | | | |
| 2 | Annualized Number of Wastewater Bills | - | From Most Recent Annual Period |
| 3 | Change in Purchased Wastewater Expense | \$ - | Updated at Filing |
| 4 | | | |
| 5 | Adjustment to Monthly Flat Rate | \$ - | = (3 / 2) |